

Message Text

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ORIGIN L-03

INFO OCT-01 EUR-25 ISO-00 FCSC-01 EB-11 COME-00 TRSE-00

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L/C - MR. KWIA TEK

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L - MR. HOPKINS

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FM SECSTATE WASHDC

TO AMEMBASSY BRUSSELS PRIORITY

INFO AMEMBASSY BONN PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY PRAGUE PRIORITY

AMCONSUL ZURICH

C O N F I D E N T I A L STATE 201885

E.O. 11652: GDS

TAGS: PFOR, EFIN, CZ, BE

SUBJECT: GOLD TRANSFER TO CZECHS

REFS: A. BRUSSELS 6986

---- B. PRAGUE 2242

---- C. DEPTTEL 201040

BONN FOR COMMISSIONER CROWLEY

1. REFTELS A AND B CROSSED REFTEL C WHICH PROVIDES DEPT
VIEWS ON GENERAL APPROACH REGARDING TGC ACTIVITIES. ALSO
DEPT ADVISING IN SEPARATE TELEGRAM CHANGE IN TIME SCHEDULE
CAUSED BY LEGISLATIVE DEVELOPMENTS.

2. HAVE FOLLOWING COMMENTS ON PARA 1 REFTEL A:
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(A) WE DO NOT THINK IT ADVISABLE GIVE REVISED VERSION OF ANNEX A CONTAINED IN PRAGUE 2209. ON HASTY READING REVISED VERSION DOES NOT APPEAR THAT STATE BANK IS SUBSTITUTED IN ALL PLACES NECESSARY. BELIEVE VERSION ALREADY SUPPLIED WATSON CAN BE USED AS BASIS FOR DISCUSSION PLUS INDICATION TO HIM THAT CZECHS ARE NOW THINKING OF DESIGNATING STATE BANK AS BODY OR INSTITUTION TO WHICH DELIVERY ORDER SHOULD BE MADE OUT.

(B) WE DO NOT THINK IT ADVISABLE SUGGEST CZECHS BE GIVEN UNSIGNED VERSION OF PROPOSED ADJUDICATION. THIS WOULD BE DEVIATION FROM NORMAL PROCEDURE. THIS DEVIATION HAS BEEN RAISED PREVIOUSLY AND WE HAVE THOUGHT IT WOULD BE UNDESIRABLE AND POTENTIALLY DISRUPTIVE AND WISH ONLY TO GIVE ADJUDICATION WHEN CZECHS HAVE SIGNED CZECH CLAIMS SETTLEMENT AGREEMENT AND DELIVERY ORDER ABOUT TO BE HANDED OVER (SEE MAURER LETTER TO PETROW OF MARCH 14, 1967 AND ATTACHED MEMO OF CONVERSATION OF MARCH 7, 1967). DESIRE YOU MAINTAIN POSITION NOTHING MORE REQUIRED OF CZECHS REGARDING "ACCEPTANCE" THAN HAS BEEN REQUIRED OF OTHER CLAIMANTS.

(C) FOR REASONS GIVEN IN PARA (B) WE SHOULD OPPOSE ANY LANGUAGE OF "ACCEPTANCE" OR ANY LANGUAGE DEVIATING FROM REGULAR CLAIM ANNOUNCEMENT.

(D) WE HAVE ALSO UNDERSTOOD THAT ACCOUNT IN SWISS BANK CORPORATION WOULD BE OPENED IN NAME OF THREE GOVERNMENTS AND THIS WAS AGREED IN 1964. WE DO NOT SEE WHY THAT ACCOUNT CANNOT BE OPERATED BY TGC IN BRUSSELS AS REPRESENTATIVE OF THREE GOVERNMENTS AS OTHER ACCOUNTS HAVE BEEN OPERATED. WE HAVE NO REASON BELIEVE SBC WOULD BE UNWILLING SET UP ACCOUNT IN NAME OF THREE GOVTS AND HONOR SIGNATURE OF THREE COMMISSIONERS AS AUTHORIZED TO OPERATE THIS ACCOUNT. IF SBC SHOULD RAISE QUESTION, IN CASE OF NECESSITY WE COULD HAVE THREE GOVTS THROUGH THEIR EMBASSIES IN BERN CONFIRMING AUTHORITY OF THREE COMMISSIONERS TO OPERATE ACCOUNT. (SEE PARA 2 OF DEPTTEL 1283 OF APRIL 2, 1964) DO NOT BELIEVE IT DESIRABLE SUGGEST AMEMBASSY BERN BE GIVEN AUTHORITY TO OPERATE ACCOUNT ALONE AS THIS WOULD CONFIDENTIAL

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SEEM UNNECESSARY AND WOULD PROBABLY BE VIEWED SUSPICIOUSLY.

3. FEDERAL RESERVE BANK WAS ALERTED SOMETIME AGO TO POSSIBILITY OF MOVEMENT OF GOLD AND ALSO POSSIBILITY (AT THAT TIME) OF CZECH EXPERT CONTACTING THEM. IN VIEW OF REFTTEL C AND LEGISLATIVE DEVELOPMENTS, BELIEVE NO FURTHER ACTION SHOULD BE TAKEN ON CONTACTING BANKS UNTIL CLARIFICATION OF LEGISLATIVE SITUATION.

4. RE PARA 3 OF REFTTEL A, OUR UNDERSTANDING IS THAT PRE-POSITIONING WAS AGREED UPON IN 1964 AND THAT ONLY MINOR DETAILS NEEDED TO BE FURTHER WORKED OUT RELATING TO COST OF SHIPMENTS, ETC. (SEE BRUSSELS A-415 OF DECEMBER 8, 1964, A-291 OF OCTOBER 23, 1964, A-105 OF APRIL 24, 1964)

IN 1964 ARRANGEMENTS BRITISH SUPPORTED PRE-POSITIONING, INTER ALIA, SINCE THEIR SETTLEMENT IS ALSO DEPENDENT ON PRE-POSITIONING. WE WOULD EXPECT BRITISH TO CONTINUE THEIR SUPPORT FOR SAME REASON AT PRESENT AND TO PUT ASIDE POINTS RAISED BY WATSON. AT THAT TIME FRENCH GOVT ALSO WENT ALONG WITH PRE-POSITIONING AND WE ASSUME IT WILL CONTINUE TO SUPPORT THIS IN TERMS OF GOOD RELATIONS WITH CZECHS. WE DO NOT KNOW HOW BRITISH AND FRENCH WILL REACT WHEN INFORMED THAT U.S. NEEDS TO AWAIT CLARIFICATION OF LEGISLATIVE SITUATION AND WHETHER THEIR ATTITUDE MAY BE LESS FORTHCOMING THAN IT WAS IN 1964.

KISSINGER

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